



## Core in the Coking Coal Construct for the Strength

Stock code: 639.HK

### Company Profile

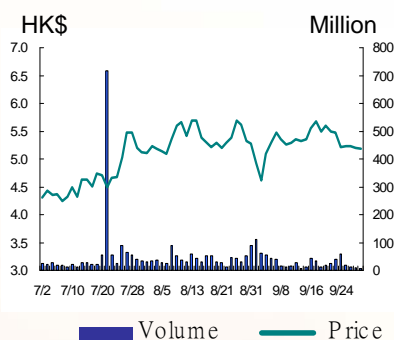
Fushan Energy is one of the most sizable integrated coal corporations in central-western China. Taking Shanxi Province as its major investment base, it is principally engaged in mining of coking coal and production and sales of raw and clean coking coal.

The Group operates 3 high quality coking mines which are located in Liulin County, Shanxi Province, namely Xingwu Coal Mine, Jinjiazhuang Coal Mine and Zhaiyadi Coal Mine.

Fushan Energy became one of the constituents in HSI composite index on March 9th and was included as MSCI Emerging Index by Morgan Stanley Capital International on Sep 1st.

### Company stock trend

(From 1 July to 30 September)



### IR Contact

Fushan International Energy Group Limited

[ir@fushan.com.hk](mailto:ir@fushan.com.hk)

Tel: (852) 27650839

Wonderful Sky Financial Group

[fushanir@wsfg.hk](mailto:fushanir@wsfg.hk)

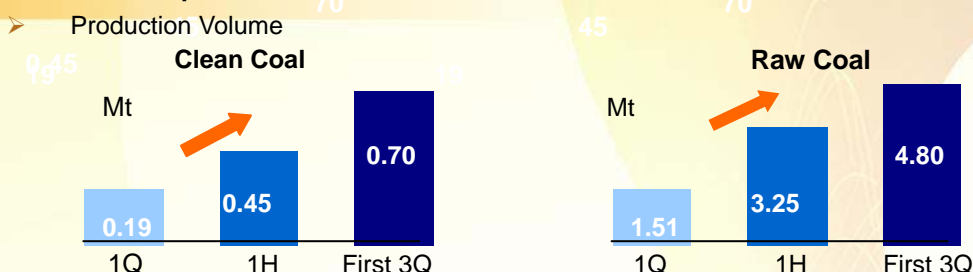
Tel: (852) 28511038

Company Website

[www.fushan.com.hk](http://www.fushan.com.hk)

### Company News

#### Recent Development



	Clean Coal	Raw Coal
2009 First 3Q	➤ 0.70Mt	➤ 4.80Mt
2009 1H	➤ 0.45Mt	➤ 3.25Mt
2009 1Q	➤ 0.19MT	➤ 1.51Mt

#### Recent events

- On 30 September 2009, the Company's registered office moved to 6<sup>th</sup> Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- On 30 September 2009, the Group's three coking coal mines located in Liulin County, Shanxi Province, namely Xingwu Coal Mine, Jinjiazhuang Coal Mine and Zhaiyadi Coal Mine, are approved as independently-operated coal mines by relevant authorities of Shanxi government, which are qualified for being part of coal resource consolidation in the province.
- On 30 September 2009, the resolution regarding renewal of the mandate for issue and allotment of shares and increase in authorized share capital was duly passed at the extraordinary general meeting of Fushan Energy.
- On 23 September 2009, Shougang Group disposed of its 154 million shares in an Australia-listed company the Mount Gibson (MGX), to Fushan Energy, representing approximately 14.34% of the issued share capital of MGS, at a consideration of HK\$1.189 billion, which will be satisfied in full by the allotment and issue of the First Consideration Shares at the Issue Price of HK\$5.556.
- On 23 September 2009, Shougang Group disposed of the entire issued share capital of Benefit Rich to Fushan Energy at a consideration of HK\$606 million, which will be satisfied in full by the allotment and issue of the Second Consideration Shares at the Issue Price of HK\$5.556. Benefit Rich represents 16.80% of the issued share capital of APAC Resources Limited.
- On 22 September 2009, the board of Fushan Energy announced its unaudited interim results for the six months ended 30 June 2009. In the first half of 2009, the Company recorded net profit of HK\$769 million. Earnings per share was HK16.82 cents and interim dividend was HK10 cents per share.
- On 20 July 2009, the Company completed the placing of 4,000,000 new shares with proceeds of HK\$1,718 million.

### Industry Update

- Qinhuangdao's inventory continued to decrease due to increasing electricity demand fuelled by economic recovery and the overhaul of Datong-Qinhuangdao railway. Total inventory of coal remained relatively low, owing to decreased supply resulting from restricted and suspended production in coal mines.
- As impacted by weak steel prices, Shanxi government lowered guiding price of coke. Coke prices have been remaining stable since late September. Coke imports hit a record high at 4,905,000 tons in July but significantly decreased by 21.6% to 3,846,000 tons in August, strongly bolstering the domestic coke prices.
- Coke prices in places near coke consuming areas slightly decreased, while coal prices in other areas remained stable. In the first week of late September, local coke prices in Shanxi province generally decreased by RMB20-35 per ton. Coke prices were high compared with the plummeting steel prices.